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C O N F I D E N T I A L SECTION 01 OF 02 LILONGWE 000728

SIPDIS

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TAGS: [PGOV](#) [KDEM](#) [PINR](#) [MI](#)

SUBJECT: RULING PARTY DEVELOPING FISSURE; GOVERNMENT
GAINING IDENTITY

REF: LILONGWE 719

Classified By: Pol/Econ Officer Peter W. Lord, reasons 1.5 (b/d).

SUMMARY

1. (C) With former President and United Democratic Front (UDF) Chairman Bakili Muluzi's return from his overseas holiday and President Bingu wa Mutharika's continuing display of independence (reftel), a fissure in the ruling UDF is quickly forming between Muluzi's old guard and Mutharika's recent converts. A UDF heavyweight's arrest and the President's overly frank new Chief of Staff have left party members drawing lines and choosing sides. Judging from Muluzi's trenchant comments upon his August 1 arrival, the UDF did not anticipate Mutharika would bring with him changes to the party or its mode of operation. All the while, government is slowly developing an identity independent of the ruling party, a completely novel distinction in Malawi.
END SUMMARY.

UDF HEAVYWEIGHT ARRESTED FOR ALLEGED CORRUPTION

2. (C) Just before President Muluzi's return to Malawi from a three-week overseas holiday, the Fiscal Police, a specialized branch of the Malawi Police Service, arrested Muluzi loyalist and United Democratic Front (UDF) heavyweight Humphrey Mvula on July 30 for alleged fraud and corruption. Mvula, well-known for financing other members of Muluzi's inner UDF circle and for leading the party's militant youth wing, was reportedly organizing and financing Muluzi's August 1 welcome-home reception designed to "up stage" President Mutharika. UDF Secretary General and Muluzi stalwart Kennedy Makwangwala termed Mvula's arrest a "political witch-hunt" and condemned government's investigation into Shire Bus Lines, the parastatal where Mvula is CEO. Mvula has since been released on bail, amid rumors that Muluzi loyalists in the UDF have formed a taskforce to discredit the Mutharika government.

CHOOSING SIDES

3. (SBU) Two Mutharika supporters in the UDF, calling themselves "concerned citizens," released a press statement on July 27 castigating the "UDF big wigs" for not supporting Mutharika. The statement also called the rumored formation of a UDF taskforce against Mutharika "shocking and disappointing." In response, Makwangwala issued a press release on July 31, calling for a stop to the "outrageous" allegations of corruption and to the "unfair" remarks about Muluzi. The statement concluded by denying that UDF gurus were against the President or that an anti-Mutharika taskforce had been formed.

HEADS BUTT: NG'OMA VS. MAKWANGWALA

4. (SBU) Tensions between Makwangwala and newly-appointed Chief of Staff Ken Ng'oma formalized when Ng'oma reportedly filed legal proceedings against Makwangwala for defamation. Ng'oma, who quickly became popular with civil society and opposition political parties for publicly denouncing the Muluzi administration's "gross mismanagement" of public funds, has angered many senior UDF officials with his frankness. Makwangwala, defending the UDF and Muluzi, publicly called for Ng'oma's silence on July 30, following a UDF National Executive Committee (NEC) meeting where it was decided Ng'oma needed to stop "cleaning the party's dirty linen in public."

MULUZI WARNS UPON HIS RETURN

5. (SBU) At an August 1 rally immediately upon his return to Malawi, Muluzi directed comments to a notably absent Mutharika, saying "there cannot be a government led by an independent President." Continuing his admonishment, Muluzi said such a President would not have the support of Parliament, and "there is no way to run government with a disgruntled Parliament." Muluzi also declared, "Anyone who does not have a heart for the UDF should pack their luggage and go." In his brief address, Muluzi said he will take a three-week national trip to "revitalize the UDF," where, he said, he will continue his signature cash handouts, which many UDF supporters have criticized Mutharika for ceasing. UDF Regional Governor for the South John Chikakwiya commented to journalists that it was "a relief to the party faithful"

to have Muluzi back in the country. Throughout the address, Muluzi was flanked by Vice President Cassim Chilumpha, UDF heavyweights, and members of other parties that form the UDF's working majority in Parliament, a coalition that Muluzi engineered.

COMMENT

16. (C) Muluzi clearly thought Mutharika would have to yield to him because Mutharika needed the Muluzi-orchestrated working majority in Parliament to run government. However, Mutharika seems confident that genuine reform will win him enough political support in the House to implement his agenda. With fear of corruption convictions spreading through the UDF old guard, the ruling party's fracture will continue to grow. Meanwhile, the leadership struggle in the UDF, though chaotic for the party, is creating a noticeable separation between government and the ruling party, a distinction that did not exist during Dr. Banda's regime or Muluzi's two terms in office.

RASPOLIC